

A RESOLUTION

BY TRANSPORTATION COMMITTEE

02-R -0480

A RESOLUTION AUTHORIZING THE MAYOR OR HER DESIGNEE TO EXECUTE AN EXTENSION AGREEMENT AND FIRST AMENDMENT TO CONTRACT FC 6219-95, LEASE AGREEMENT WITH SMARTE CARTE, INC. FOR BAGGAGE SERVICES CONCESSION IN THE CENTRAL PASSENGER TERMINAL COMPLEX AND CONCOURSES AT HARTSFIELD ATLANTA INTERNATIONAL AIRPORT, WHICH SHALL EXERCISE THE CITY'S OPTION FOR A FIVE (5) YEAR EXTENSION ON THE TERM OF THE CONTRACT AND WHICH SHALL AMEND THE MINIMUM ANNUAL GUARANTEE PERIODIC ADJUSTMENT FORMULA.

WHEREAS, the City of Atlanta and Smarte Carte are parties to a Lease Agreement (Contract FC 6219-95) (hereinafter "Lease" or "Lease Agreement") for operation of the carts, baggage protection, and storage locker services concession at Hartsfield Atlanta International Airport, for a Term of five years ending April 30, 2001; and

WHEREAS, Section 2 of the Lease Agreement grants the City the exclusive right to extend the term of the Lease for one additional period of five (5) years; and

WHEREAS, the Department of Aviation recommends that the City exercise its option to extend the term of the Lease pursuant to the City's exclusive right, as herein set forth; and

WHEREAS, thus it is appropriate and reasonable to limit the increase for the Minimum Annual Guarantee to not more than 4% per year, which can be accomplished by amending the Lease Agreement as hereinafter set forth; and

WHEREAS, to ensure that carts are in good working order for the extension period, all carts will be replaced with new or like new carts within 90 days of the execution date of the amendment.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA, that the Mayor or her designee be and hereby is authorized to execute on behalf of the City of Atlanta an Extension Agreement and First Amendment to the Lease Agreement, FC 6219-95, with Smarte Carte, for the Baggage Services Concession at Hartsfield Atlanta International Airport, which shall contain substantially the following terms and conditions:

1. The City shall exercise its option to extend the Term of the Lease for five (5) years, such that the Lease extension shall run from May 1, 2001 to April 30, 2006.
2. The Minimum Annual Guarantee shall be adjusted each year by multiplying the current Minimum Annual Guarantee by the lesser of the annual change in Consumer Price Index or 4%.
3. All carts will be replaced with new or like new carts within 90 days of the date the amendment is executed.

BE IT FURTHER RESOLVED that the City Attorney be and hereby is directed to prepare said Extension Agreement and First Amendment for execution by the Mayor.

BE IT FINALLY RESOLVED that said Extension Agreement and First Amendment shall not become binding upon the City, and the City shall incur no obligation nor liability thereunder until the same has been signed by the Mayor and delivered to Smarte Carte.

TRANSMITTAL FORM FOR LEGISLATION

To Mayor's Office: Greg Pridgeon

General Manager's Signature: MJD

From: Originating Dept. Aviation

Committees of Purview: TC

Committee Meetings: 03/13/02

Contact: Kyle Mastin (404-209-2107)

Committee Deadline: 03/01/02

City Council Meeting: 03/18/02

CAPTION:

A RESOLUTION AUTHORIZING THE MAYOR OR HER DESIGNEE TO EXECUTE AN EXTENSION AGREEMENT AND FIRST AMENDMENT TO CONTRACT FC 6219-95, LEASE AGREEMENT WITH SMARTE CARTE, INC. FOR BAGGAGE SERVICES CONCESSION IN THE CENTRAL PASSENGER TERMINAL COMPLEX AND CONCOURSES AT HARTSFIELD ATLANTA INTERNATIONAL AIRPORT, WHICH SHALL EXERCISE THE CITY'S OPTION FOR A FIVE (5) YEAR EXTENSION ON THE TERM OF THE CONTRACT AND WHICH SHALL AMEND THE MINIMUM ANNUAL GUARANTEE PERIODIC ADJUSTMENT FORMULA.

BACKGROUND/DISCUSSION:

This extension is needed to assure the Airport users, the traveling public, airlines' and other tenants' employees, of uninterrupted Baggage Services at Hartsfield. The initial Term of the Smarte Carte, Inc. Concession Agreement was May 1, 1996 through April 30, 2001. The proposed Extension runs from May 1, 2001, through April 30, 2006.

FINANCIAL IMPACT: Positive

Source of Funds: N/A

Mayor's Staff Only:

Received by Mayor's Office: 2/24/02
(date)

Reviewed: JS
(Initials) (date)

Submitted to Council: _____

Action by Committee: ☐ Approved ☐ Adversed ☐ Held ☐ Amended

☐ Substitute ☐ Referred ☐ Other